



March 20, 2009

ENGROSSED HOUSE BILL No. 1434

DIGEST OF HB 1434 (Updated March 18, 2009 11:07 am - DI 102)

Citations Affected: IC 5-28.

Synopsis: Job recruitment grant. Establishes the new business recruitment grant program for local economic development organizations serving counties where the unemployment rate exceeds the state unemployment rate by at least 2%.

Effective: July 1, 2009.

Michael, Reske, Pond, Yarde

(SENATE SPONSORS — KRUSE, ERRINGTON, STUTZMAN)

January 13, 2009, read first time and referred to Committee on Small Business and Economic Development.

February 19, 2009, reported — Do Pass.

February 24, 2009, read second time, amended, ordered engrossed.

February 25, 2009, engrossed. Read third time, passed. Yeas 98, nays 0.

SENATE ACTION

March 3, 2009, read first time and referred to Committee on Pensions and Labor.

March 19, 2009, amended, reported favorably — Do Pass.

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EH 1434—LS 6891/DI 92+



March 20, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1434

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-28-11.5 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2009]:

4 **Chapter 11.5. New Business Recruitment Grants for Local**
5 **Economic Development Organizations**

6 **Sec. 1. As used in this chapter, "economically disadvantaged**
7 **area" means a county that has an unemployment rate exceeding**
8 **the state unemployment rate by at least two percent (2%).**

9 **Sec. 2. As used in this chapter, "local economic development**
10 **organization" (referred to as "organization") includes the**
11 **following:**

12 (1) **An urban enterprise association established under**
13 **IC 5-28-15 (or IC 4-4-6.1 before its repeal).**

14 (2) **An economic development commission established under**
15 **IC 36-7-12.**

16 (3) **A nonprofit corporation established under state law whose**
17 **primary purpose is the promotion of industrial or business**

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development in Indiana, the retention or expansion of Indiana businesses, or the development of entrepreneurial activities in Indiana.

(4) A regional planning commission established under IC 36-7-7.

(5) A nonprofit educational organization whose primary purpose is educating and developing local leadership for economic development initiatives.

(6) Other similar organizations whose purposes include economic development and that are approved by the corporation.

Sec. 3. As used in this chapter, "program" refers to the new business recruitment grant program established by section 4 of this chapter.

Sec. 4. (a) The new business recruitment grant program is established.

(b) The program is administered by the corporation.

Sec. 5. (a) The purpose of the program is to assist the local economic development organizations that serve economically disadvantaged areas in the recruitment of new businesses.

(b) The corporation must find that an applicant for a grant under this chapter serves an economically disadvantaged area before approving the grant application.

(c) The corporation may provide a grant under the program to an organization to assist the organization in recruiting new business enterprises to the county or counties served by the organization. The grant may not be used by the organization to pay expenses for which the organization has received a grant under IC 5-28-11.

(d) A grant under this chapter may not be used by the organization to provide direct financial assistance to a business or specific development project.

Sec. 6. A grant under this chapter may not exceed:

(1) fifty thousand dollars (\$50,000), in the case of a grant to an organization that serves only one (1) county; or

(2) seventy-five thousand dollars (\$75,000), in the case of a grant to an organization that serves at least two (2) counties.

Sec. 7. The corporation may adopt policies and guidelines governing application criteria and procedures for organizations applying for grants under this chapter.

Sec. 8. Money appropriated for the program may be used for the costs of administering this chapter.

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1 **Sec. 9. (a) The local economic development organization**
 2 **recruitment fund is established within the state treasury as a**
 3 **dedicated fund. Money in the fund must be spent by the**
 4 **corporation exclusively for grants and other purposes described in**
 5 **this chapter.**

6 **(b) The fund consists of:**

- 7 **(1) appropriations from the general assembly;**
 8 **(2) interest deposited into the fund under subsection (d); and**
 9 **(3) any money available for the purposes of this chapter from**
 10 **Indiana's apportionment of general state assistance grants**
 11 **provided to the states under the federal American Recovery**
 12 **and Reinvestment Act of 2009 or another federal economic**
 13 **stimulus law enacted in 2009.**

14 **(c) The corporation shall administer the fund. The following**
 15 **may be paid from money in the fund:**

- 16 **(1) Grants made under this chapter.**
 17 **(2) Expenses of administering the fund.**
 18 **(3) The corporation's nonrecurring administrative expenses**
 19 **incurred to carry out the purposes of this chapter.**

20 **(d) The treasurer of state shall invest the money in the fund not**
 21 **currently needed to meet the obligations of the fund in the same**
 22 **manner as other public funds may be invested. Interest that**
 23 **accrues from these investments shall be deposited in the fund.**

24 **(e) Money remaining in the fund at the end of a state fiscal year**
 25 **does not revert to the state general fund.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Small Business and Economic Development, to which was referred House Bill 1434, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

RESKE, Chair

Committee Vote: yeas 11, nays 0.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1434 be amended to read as follows:

Page 3, line 7, delete "and".

Page 3, line 8, delete "(d)." and insert "(d); and".

Page 3, between lines 8 and 9, begin a new line block indented and insert:

"(3) any money available for the purposes of this chapter from Indiana's apportionment of general state assistance grants provided to the states under the federal American Recovery and Reinvestment Act of 2009 or another federal economic stimulus law enacted in 2009."

(Reference is to HB 1434 as printed February 20, 2009.)

MICHAEL

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1434, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 8, delete "eight percent (8%)." and insert "**the state**

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unemployment rate by at least two percent (2%)."

and when so amended that said bill do pass.

(Reference is to HB 1434 as reprinted February 25, 2009.)

KRUSE, Chairperson

Committee Vote: Yeas 10, Nays 0.

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